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2 November 1987

25X1 MEMORANDUM FOR: Edward J. Maloney

FROM:

SUBJECT: Response to IC Memo - Version 2

25X1 Ed and [ ] Please destroy the first version of the response. I have appended a second version which I believe is stronger. I apologize for the short fuse, but I need your comments by noon tomorrow - the 3rd. Please rewrite any section that applies to OIT as you see fit. Let me know if you have questions, etc. Thanks.

25X1 \*\*\* APPENDED BY: [ ] ON: November 2, 1987 AT: 5:45 PM \*\*\*

November 2, 1987

25X1 MEMORANDUM FOR: Deputy Director for Intelligence  
Associate Deputy Director for Intelligence

FROM:

[ ]  
Director of Information Resources

SUBJECT: Response to the IC Staff Report on  
SAFE, 7 October 1987

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Overview

1. We have reviewed the IC Staff report recommending the continuation of the current CIA/DIA/CSPO relationship for two more years. We find it misrepresents the actual situation on several counts and leaves unanswered several important questions with regard to a continuing commitment to DIA. Specific comments are presented below. This memorandum was coordinated with the Director of Information Technology.

2. The greatest single impact on the DI analyst of holding CIA to the IC Staff recommendations and schedule is that the DI will receive no SAFE improvements until at least 1990. We must begin now to develop our own capability for maintaining SAFE, managing the overall SAFE program, and designing and developing new SAFE functions for analysts. Any resources given to DIA will directly affect what can be done for the DI.

The IC Staff Report

3. The program review by the IC Staff includes a synthesis of considerable SAFE history (Sections A through D) which is as much based on personal recollections of people involved in the program as it is on solid documentation. While accurate for the most part, it also illustrates how muddled this entire issue has become. For example, the generally-held assumption that CIA must pay 30 percent of DIA's Delivery 4 development is derived not from any formal agreement. As best as we can determine it is based on a CSPO decision of several years ago apparently after discussion with someone in the DI--not further identified--who stated we "might" have an interest in Delivery 4. CSPO translated that "interest" into 30 percent share of software development costs.

4. The report's three observations (Section E) seem incomplete and shallow. This section, which presumably is intended to form the basis for the alternatives and recommendations, addresses only three issues: (1) the intense schedule for SAFE deliveries in FY88; (2) whether pro rata costing can be introduced; and (3) CSPO disestablishment. It does not address the impact on CIA if we are to continue an open-ended arrangement with DIA; it fails to note that DIA has been encouraged for several years to build up its infra-structure to support SAFE; it offers no judgment as to what should be CIA's prorated costs for software deployment intended solely for DIA; it fails to recognize that other SAFE users are entering the picture--the DO in 1988 and NMCC in 1989; and it says nothing about the CIA technical support DIA needs to operate SAFE.

5. The alternatives (Section F) presented by the IC Staff represent a reasonable range of solutions, although the descriptions of disadvantages for Options A, B and D fail to note that CIA gets no SAFE improvements for at least 2 years. Under disadvantages for Option C the IC Staff implies that it is only fair that CIA should pay for 50 percent of the remaining Delivery 3 and 30 percent for Delivery 4 software developments because DIA provided funding to earlier deliveries of SAFE which benefitted only CIA. In fact, DIA has nearly 1,000 analysts on SAFE Delivery 1; it had the opportunity to put Delivery 2 into its production system but could not because it had not developed the necessary support structure; it now has some 500 analysts on SAFE Delivery 3;

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and most importantly, DIA required the development of Deliveries 2 and 3 so that Delivery 4 could be built on their foundation. In short the Alternatives section is a biased presentation.

6. Our reactions to the team's conclusions and recommendations (Section G) are listed below:

Recommendation A. CSPO develop a more realistic schedule and associated FY 1988 and FY 1989 funding profiles for implementation of remaining SAFE deliveries, addressing the identified \$7.2 million funding shortfall as a FY 1989 issue.

We feel strongly that CSPO should develop a realistic delivery schedule--within budgetary constraints--and then be held to it. Spreading out the delivery schedule over two years will add to overall costs and probably lead to a slippage into a third year.

Recommendation B. Continue DIA and CIA SAFE funding responsibilities on a 50/50 basis (except TRW work on Delivery 4, Set 1 at 70/30 and separate hardware procurements) until all remaining Deliveries 3.2 through 3.8 and Delivery 4, Set 1 have been completed and user acceptance achieved.

This is the DIA position. It fails to recognize the impact on CIA, and it is inconsistent with Recommendation D in that D recommends a firm divorce date.

Recommendation C. Alter CSPO's implementation approach to install new SAFE deliveries only at DIA, not CIA unless specifically requested.

OIR and OIT were, in fact, not planning to incorporate these deliveries into our production SAFE system.

Recommendation D. CSPO prepare a joint agency transition plan and schedule for disestablishing CSPO no later than 1 October 1989. CSPO submit the transition plan for DCI approval by 31 January 1988. On or before 1 October 1989 DIA assume full responsibility for managing any remaining SAFE development activities in a DIA development facility.

A transition plan is needed, but it must allow CIA to begin developing its own SAFE program office in FY88. This recommendation appears to be inconsistent with Recommendation B which advocates continued CIA funding of DIA SAFE until Deliveries 3 and 4 are completed with no explicit termination date.

Recommendation E. Starting immediately, CSPO provide DIA VP-SIA and CIA DDI/OIR detailed contract information on vendor task activities and expenditure to facilitate agency cost accounting and task management.

We agree. In fact, over the past year we have been getting more cost data from CSPO than in the past.

Recommendation F. Starting December 1987, CSPO provide monthly

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program reporting to Intelligence Community Staff/IHC, DIA VP-SIA and CIA DDI-OIR, until program completion.

Inserting the IC Staff into the SAFE program review will accomplish nothing other than to tie up CSPO and contractor resources to prepare and provide the extra briefings. In view of what came out of this IC Staff review, I see only continuing IC Staff support for the DIA position.

### Funding Issues

7. If we are required to continue to support DIA SAFE development at the 50/50 level through Delivery 3 and 70/30 level for Delivery 4, Set 1, we will be hard pressed to find funds for CIA-unique requirements in the same time frame. Efforts to provide DI analysts with a single user-friendly and easy-to-learn interface to widely used applications are already under way. Working groups have met to design a programmer interface for SAFE so that DI programmers can write applications to meet a single office's unique needs. These efforts require continued funding to reach fruition.

8. There will likely also be significant delays and increased costs in other programs, including Dossier (the new biographic reference system), ARM (CRES's project to allow the automated generation and tracking of requirements), and projects sponsored by the Mobile Missile Assessment Center to provide new tools to DI and DS&T mobile missile analysts. While each of these has a source of funding independent of OIR, ARM and Dossier estimate increased costs of \$2M per program for a two-year delay. Their development will be greatly hampered by the prohibition on asking for changes to SAFE to accommodate them. OIR will be in the position of holding up other crucial systems to protect the SAFE schedule. The DI would have to wait until 1990 to begin to integrate these projects into SAFE.

9. Lastly with regard to funding, it must be noted that much has changed since CIA agreed to support joint development at specified funding levels. Analytic needs at both CIA and DIA have changed to meet a changing environment; expectations of and demands on the SAFE system have also changed and diverged. Development priorities and budgetary responsibilities have not shifted in the interim to keep pace.

### OIR Recommendations

10. We believe we have more than met our financial obligations to DIA SAFE development with some \$5M in FY87 and another \$3M in FY88 for such purposes. We recognize that past commitments were made in various forums, but holding CIA to these commitments fails to recognize DIA failure to help itself, and the fact that much has changed since those commitments were made. Accordingly, we recommend the following:

- A buy-out of DIA on 1 October 1988. A fair figure in our view is on the order of \$2M, which follows recent funding trends. This would provide DIA a supplement to their SAFE budget to assist it to complete remaining software development for Delivery 3 or 4. It would allow CIA to provide new functionality and add data bases to SAFE for the DI analyst starting in FY89. Any additional CIA monies provided for

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DIA-unique development in FY88 beyond the \$3M already promised would be subtracted from the \$2M projected for FY89.

- Continuation of OIT program management until Deliveries 3 and 4 are up and running (user IOC) at DIA. OIT/CSPO would continue to provide this program management for DIA. DIA, of course, may assume this responsibility at any time.
- A SAFE program office in OIR. We would begin developing in FY88--with much needed OIT assistance--a capability to manage and maintain all aspects of the SAFE program, including operations and maintenance. We must start this program now--while meeting our fiscal obligations to DIA--so that we can provide DI analysts with SAFE improvements in FY89. At an appropriate time we would bring the DO into this program office; the DO/IMS fully concurs with this approach.
- Immediate discussions between DIA and OIT to cover OIT technical support. DIA may require some level of OIT assistance regarding AIM, yet it has not taken the initiative to acquire that help.

11. In sum, DIA needs money, program management, and technical support from CIA. OIT is willing to provide the technical support and program management, and we are ready to offer additional funds. But neither OIT nor OIR can live with a continuing open-ended commitment to DIA.

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Director of Information Resources

cc: Director of Information Technology  
Chief, Consolidated SAFE Program Office  
Deputy Comptroller

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